

FISCAL NOTE

HB 3893 - SB 3846

March 17, 2006

SUMMARY OF BILL: Requires a child completing an inpatient mental health treatment program to submit to the principal of the child's school a certificate of completion of the mental health program two days before the child resumes or begins school attendance. Local school systems are authorized to deny enrollment to a child that does not submit a certificate of completion.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$3,600,000

Other Fiscal Impact – Increase Federal Expenditures - \$2,200,000

Assumptions:

- Hospital and treatment facilities could be in violation of the Health Insurance Portability and Accountability Act (HIPAA) which could result in fines of \$500 for the first violation and \$5,000 for each subsequent violation.
- Children not able to submit a certificate of completion of a mental health program would not be allowed to enroll in school which would increase the number of children committed to the Department of Children's Services (DCS) due to educational neglect.
- There are approximately 1,448,299 children in the state. According to the National Mental Health Association, 20% of children have a diagnosable disorder which would result in 289,660 (1,448,299 X .20) children in the state have a mental health diagnosis.
- If .05% or 145 of such children came into custody of the Department due to educational neglect for the period of one year at a cost of \$100 per child per day, there would be an increase to expenditures totaling \$5,286,291 (145 X 365 X 100). TennCare will contribute 49% or \$2,590,283 of the total increase, resulting in \$3,265,351 in state funds (DCS and TennCare state match) and \$2,020,940 in federal funds (TennCare federal match and Title IV-E funds).

- DCS will require 8 additional case managers which will increase expenditures by an amount totaling \$436,800 for salary and benefits (\$316,800), office space, telephone system, computer, and supplies (\$120,000). TennCare will contribute 45% or \$196,560 of the total increase, resulting in \$298,418 in state funds (DCS and TennCare state match) and \$138,382 in federal funds (TennCare federal match and Title IV-E funds).
- The Department of Education will not have a significant impact to produce such certificates.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible.

James W. White, Executive Director